

LONG-TERM DISABILITY AND SURVIVOR BENEFIT PLAN

The **Long-Term Disability (LTD) Plan** was established by the County of Los Angeles (County) to provide a monthly income replacement in the event an employee becomes disabled and is unable to work beyond a six-month waiting period. The **Survivor Benefit (SB) Plan** was established by the County to provide an eligible survivor with an income replacement benefit in the event of an employee's death. Both plans are administered by a third party administrator, Sedgwick Claims Management Services (Sedgwick).

ELIGIBILITY

Choices, Options, and Flex employees in Retirement Plans A, B, C, D, E, and G must have completed five (5) years of continuous County service at the time of injury or illness, **or** be disabled as a direct result of an accepted workers' compensation injury or illness, to be eligible for benefits. If Sedgwick approves the claim, the employee will be paid 60% of their basic monthly compensation after satisfying the waiting period. Represented Safety Positions are not eligible to receive LTD.

MegaFlex employees in Retirement Plans A, B, C, D, and G must purchase LTD benefits prior to becoming disabled, regardless of years in County service. If Sedgwick approves the claim, the employee will receive 40% or 60% of their basic monthly compensation, whichever was elected during the Annual Benefits Enrollment period in October.

MegaFlex employees in Retirement Plan E with five (5) years or more of County service receive a County-paid 40% LTD benefit, and may elect to purchase the 60% LTD benefit during the Annual Benefits Enrollment period.

HOW TO FILE AN LTD CLAIM

If an employee believes they will be disabled longer than six months, they may call Sedgwick at 1-800-786-8600, to request an LTD application. The employee

and their physician must complete the mandatory claim forms and return them to Sedgwick within one year from the first day of an absence due to disability. An application must be submitted regardless of any other disability benefits being received (including workers' compensation).

New Feature: The employee may now file a claim, check claim status, email the STD Disability Specialist, submit claim documentation, and find answers to questions regarding the LTD plan, online at:

<https://viaoneexpress.sedgwickcms.net>

If the employee fails to submit the LTD benefits application prior to one year from their first day of an absence due to an approved injury or illness, they will be penalized one day for every day the application is late. If the employee fails to file within 30 months from the first day of absence, they will be denied LTD benefits.

NOTE: Employees must also apply for Social Security Disability (SSD) benefits under the Federal Social Security Act (FSSA) when filing for LTD benefits, and provide Sedgwick with proof within 30 days of filing the LTD claim. Information about SSD and FSSA is available at: www.socialsecurity.gov

WAITING PERIOD

The waiting period is a continuous six-month period, beginning the first day of the employee's absence from work due to a disability approved by Sedgwick. If the employee returns to work for more than an aggregate of 29 days, they must start the waiting period over.

MegaFlex Participants: After six months from the start of an STD claim, a new STD period for the same or different disability may not begin until the employee has physically returned to full-time work for six months.

LTD DEFINITION OF DISABILITY

During the waiting period and the first 24 months of benefit eligibility, the employee must be disabled and unable to perform the duties of their County position, as approved by Sedgwick. To continue to receive benefits after 24 months, an employee must be deemed totally disabled and unable to perform the duties of any occupation, per the definition in FSSA. An employee deemed not fit for duty by the Occupational Health Program (OHP) of the County may be eligible for LTD.

DURATION OF BENEFITS

The LTD Plan may provide an income replacement for up to 24 months, and/or until the employee reaches age 65. If found to be "totally disabled" by FSSA or OHP, and the employee wishes to continue LTD benefits, employees in retirement plans A-D and G must retire, and employees in retirement plan E will be medically released. If the employee starts the LTD Waiting Period at age 62 or older, LTD benefits will be paid in accordance with a pre-established schedule. For more information, please see the LTD Booklet at:

http://ceo.lacounty.gov/rtw/rtw_default.htm

NOTE: A new LTD period may begin only if there is a disability approved by Sedgwick and the employee has physically returned to full-time work for six months.

LTD PAYMENTS/OFFSETS

The employee's LTD benefit payments are issued directly by Sedgwick. If accrued time is used and paid by the County, Sedgwick will subtract one day of the LTD benefit for each day of accrued time paid. County workers' compensation benefits are subtracted from LTD benefits, dollar-for-dollar. Therefore, LTD benefit payments are paid at the end of the month, for the period preceding the month of payment.

The employee's LTD benefits are also offset with 50% of income earned from another employer other than the County, and offset dollar-for-dollar by other

government disability benefits received for the same disability during the same period of time as County LTD benefits.

An annual Cost-of-Living Adjustment (COLA) up to 2% of the monthly benefit may apply to LTD disability claims that began on or after January 1, 2001, after completion of 24 months of benefit eligibility.

LTD OVERPAYMENTS

An LTD overpayment may occur if an employee receives other income or disability benefits. Sedgwick will recalculate the LTD benefit to establish a repayment plan. The employee must notify Sedgwick if they receive other income benefits.

PARTIAL RETURN TO WORK

The employee may return to work on a part-time basis during LTD if it is approved by their doctor, Sedgwick, and their department. Seventy percent (70%) of any salary or income earned from partial return to work will be subtracted from the employee's LTD monthly benefit.

COUNTY CONTRIBUTION AND SERVICE CREDIT

As a Retirement Plan A, B, C, D, and G member, the employee does not receive a monthly County Contribution for benefits or retirement service credit, unless they elect to substitute accrued time for LTD benefits on a day-for-day basis.

As a Retirement Plan E member, the employee receives service credit during the waiting period and while receiving LTD benefits. If the employee retires as a Retirement Plan E member while receiving LTD benefits, the LTD benefits will end.

LTD BENEFITS TERMINATION

Reasons for termination of LTD benefits include, but are not limited to, the following:

- Failure to timely apply for FSSA benefits or any other benefits;
- Failure to provide proof of disability or any other information required;
- Refusal to take part in any required Independent Medical Examination;
- Refusal to accept an offer of County employment consistent with the employee's work restrictions;
- Ending of total disability, including denial, or termination of FSSA disability beyond 30 months;
- Failure to notify Sedgwick if receiving income or other benefits for the same period that county LTD benefits are paid;
- Retirement Plan E: Retirement from the County; and
- Retirement Plans A, B, C, D, G: Failure to apply and receive retirement benefits beyond 30 months of disability.

APPEALS

Employee may appeal any denial, ending, or cancellation of LTD benefits by filing a written notice of appeal. The notice of appeal must be received by Sedgwick within 60 calendar days of the claim decision. All medical or relevant documentation in support of the claim must be included.

Send the notice of appeal to:

Sedgwick, CMS
P.O. Box 14648
Lexington, KY 40512-4648
Phone: 1-800-786-8600
Fax: 1-855-800-5116

SURVIVOR BENEFIT PLAN

The Survivor Benefit (SB) is paid to the eligible survivor(s) of an active Non-MegaFlex employee upon their death. A survivor must contact the department's Personnel Office to file a death report.

SB is 55% of the LTD benefit that the employee was receiving or would have been eligible to receive before the date of death. An eligible survivor is a

spouse or domestic partner pursuant to section 298.5 of the California Family Code. If there is no surviving spouse or domestic partner, the SB is paid to the qualified minor child(ren).

SB is paid throughout the life of the spouse or domestic partner, and to unmarried minor children through age 17. Unmarried children may continue to receive SB through age 21, if they are full-time students attending an accredited school.

MEDICAL COVERAGE PROTECTION (LTD HEALTH INSURANCE)

During the Annual Benefit Enrollment period, an employee may be eligible to enroll in the LTD Health Insurance Plan which is designed to help continue medical insurance coverage while receiving LTD benefits. LTD Health Insurance benefits will apply only if the employee's County medical coverage is current.

If the employee is in a no-pay status, they must pay the monthly medical insurance premiums until their LTD application is approved and they begin receiving LTD benefits.

The LTD Health Insurance program is provided by the County Department of Human Resources (DHR), Employee Benefits Division. Please contact DHR directly at 213-388-9982, if you have questions about LTD Health Insurance.

Employee Guide to the County of Los Angeles Long-Term Disability Plan and Survivor Benefit Plan



2015 – 2016

This guide provides a summary of the plan features and requirements only. For more detailed information, please visit our website at:

http://ceo.lacounty.gov/rtw/rtw_default.htm



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